

## **REMARKS**

### **Amendments to the Claims**

Applicant has amended claims 1, 11, 21, and 24 to more particularly point out what Applicant regards as the invention. The claimed invention teaches creating a license comprising a cardinality. The cardinality indicates the number of playback devices that can be authorized for playback of associated digital audio content.

New claims 31-36 have been added. No new matter has been added as a result of these amendments.

### **Rejections under 35 U.S.C. § 112, second paragraph**

Claims 2, 10, 20, and 22 stand rejected under 35 U.S.C. § 112, second paragraph. Applicant respectfully submits that claims 1, 11, and 21, as amended, provide sufficient antecedent basis for various limitations recited in claims 2, 10, 20, and 22, thus satisfying the requirements of 35 U.S.C. § 112, second paragraph. Applicant respectfully requests the withdrawal of the rejection of the claims under § 112.

### **Rejections under 35 U.S.C. § 102(e)**

Claims 1-8, 10-18, 20-30 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Katz (U.S. Patent No. 5,926,624). Applicant respectfully submits that Katz does not disclose each and every element of the invention as claimed in claims 1-8, 10-18, 20-30.

The Examiner pointed out that independent claims 1, 11, 21, and 24 do not recite the limitation that the license indicates a number of playback devices. Applicant has amended claims 1, 11, and 21 to more precisely recite this limitation. Specifically, claims 1, 11, 21, and 24, as amended, recite a “first license comprising a first cardinality, wherein a cardinality indicates the number of playback devices that can be authorized for playback of associated digital audio content.”

Katz discloses a Group ID to logically group together mobile playback devices. As acknowledged by the Examiner, Katz’ Group ID is not equivalent to a license comprising a cardinality. Thus, Katz does not teach or suggest a first license comprising

a first cardinality, wherein a cardinality indicates the number of playback devices that can be authorized for playback of associated digital audio content, as claimed.

Accordingly, Applicant respectfully submits that the invention as claimed in claims 1-8, 10-18, 20-30 is not anticipated by Katz and respectfully requests the withdrawal of the rejection.

**New Claims**

New claims 31-36 have been added. Applicant respectfully submits claims 31-36 are allowable for at least the reasons set forth above for claims 1-8, 10-18, 20-30.

**SUMMARY**

Claims 1-8, 10-18, 20-36 are currently pending. In view of the foregoing amendments and remarks, Applicant respectfully submits that the pending claims are in condition for allowance. Applicant respectfully requests reconsideration of the application and allowance of the pending claims.

If the Examiner determines the prompt allowance of these claims could be facilitated by a telephone conference, the Examiner is invited to contact Sue Holloway at (408) 720-8300 x309.

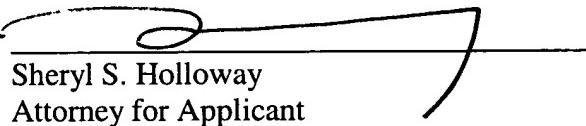
**Deposit Account Authorization**

Authorization is hereby given to charge our Deposit Account No. 02-2666 for any charges that may be due. Furthermore, if an extension is required, then Applicant hereby requests such extension.

Respectfully submitted,

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